The Status of EDI

A Presentation

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The Status of EDI

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The Status of Electronic Data Interchange

Torrey Byles
EDI/Electronic Commerce
Program Manager

Definition of EDI

- EDI is the application-to-application exchange of intercompany business data in structured, standard data formats

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Notes

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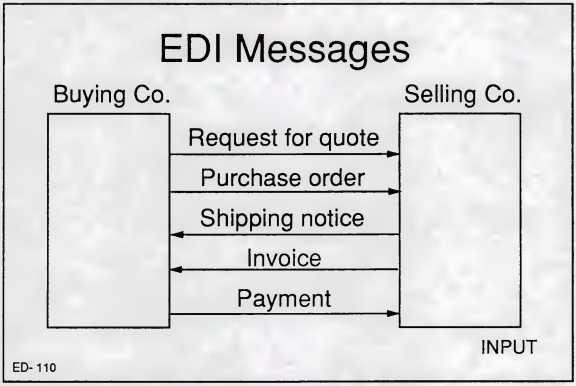

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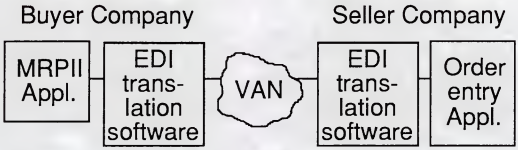
Components of EDI



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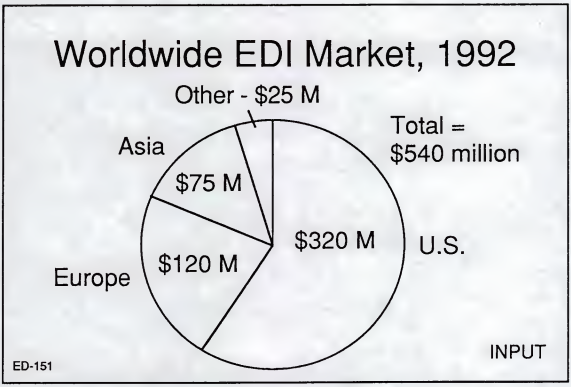

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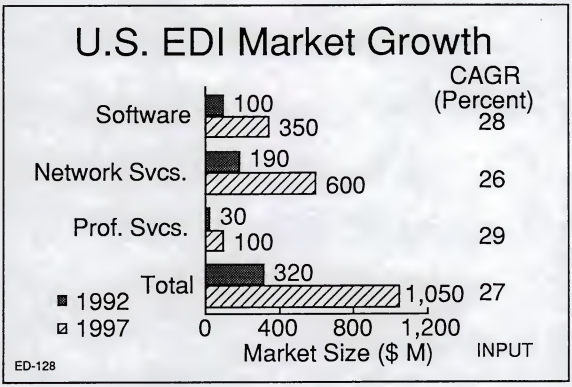

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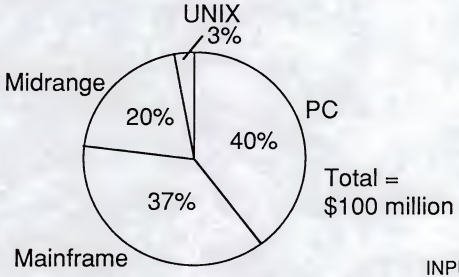
1992 EDI Software Market



Total =
$100 million

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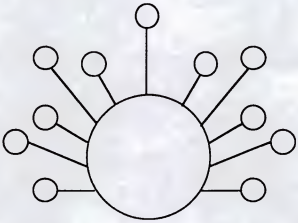
EDI Usage Grows in a Hub and Spoke Pattern



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Mainstream EDI Markets

- Manufacturing
- Transportation
- Distribution

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Specialized EDI Markets

- Health care
- Finance
- Government

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Emerging EDI Markets

- Travel and tourism
- Communications/media
- Education
- Construction

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Most Common EDI Implementation Objectives

- Improve operational efficiency
- Reduce costs
- Attain or maintain competitive advantage
- Improve customer relationships
- EDI-related partnering improvements and customer requirements

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Most Common EDI Applications

Application	Rank
Order entry	1
Accounts receivable	2
Purchasing	3
Accounts payable	4
Inventory	5

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EDI Implementation Success Factors

- Executive charter
- Formal strategy
- Multidepartment task force
- EDI coordinator
- Close interaction with vendors

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Case Study

- Allison Manufacturing
- Product: Sportswear
- Sales: $70 million
- EDI trading partners: 12 customers
- Sales volume by EDI: 12%
- EDI transactions: P.O., invoice
- PC software; 2 networks

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X12 and EDIFACT

- X12 is more widely used
- X12 has more working standards
- EDIFACT is more generic
- Industry and trading partner guidelines are key
- EDIFACT syntax used in X12 committee

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X12 and EDIFACT Syntax

Interchange
- Functional group
  - Message or transaction set
    - Segment
      - Data element

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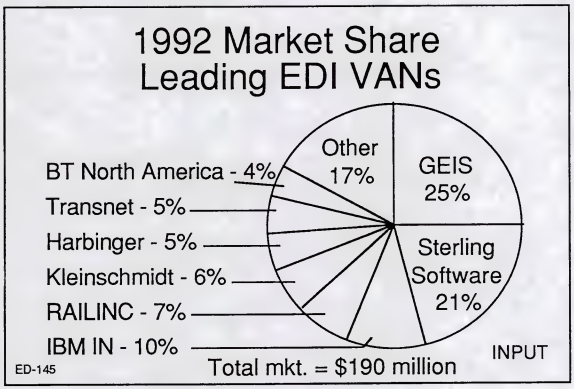

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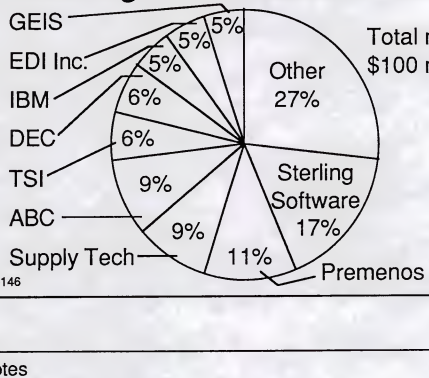
1992 Market Share
Leading EDI Software Vendors



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EDI Professional Services

Vendor	1992 Revenues ($ M)
EDS	5.0
IBM Information Network	4.0
Price Waterhouse	2.5
Andersen Consulting	2.0
Other	16.5
Total	30.0

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Trends in EDI

- Consolidaton of vendors
- Price competition
- Growing diversity of EDI applications
- Users slow to integrate
- EDI architecture changing

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